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William A. Bonnet
Vice President
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Ms. Cheryl Kikuta
Utilities Administrator
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 326
Honolulu, Hawaii 96813

June 15, 2005

FILED

2005 JUN 15 P 4: 14

PUBLIC UTILITIES
COMMISSION

Dear Ms. Kikuta:

Subject: Docket No. 04-0113
HECO 2005 Test Year Rate Case
King Street Lease – Supplemental Response to CA-IR-615

This letter provides supplemental information concerning HECO's response to CA-IR-615, subpart c (filed 5/6/05), concerning the renegotiation of HECO's King Street lease.¹ As discussed on page 1 of the attached materials, (1) the attached materials contain the revenue requirements analyses performed by HECO for the lease proposals identified under a number of scenarios, and (2) the revenue requirement analyses attempted to incorporate the costs that would be incurred under the identified lease proposals as well as costs to make the lease proposals comparable. The attachments contain confidential and proprietary information concerning some of the terms and conditions of the lease proposals and are being provided pursuant to Protective Order No. 21859.

Due to security concerns raised by our legal counsel, HECO will not be emailing to you or your consultants, the confidential documents. However, HECO will provide to the CA's consultants, copies of the confidential documents which will be mailed today, via DHL.

Sincerely,



William A. Bonnet

Attachments

cc: Public Utilities Commission
Utilitech, Inc.
K. Davoodi
Larkin & Associates
M. Brubaker

¹ HECO and the CA had a conference call on May 13, 2005 that discussed, among other things, HECO's responses to CA-IR-615 and CA-IR-616. HECO's response to CA-IR-615, subpart c states "Yes, numerous comparisons of options were prepared based on the offers as they were being considered by the Company. The comparisons are voluminous, please contact Irene Sekiya at 543-4778 to arrange for viewing." During the conference call the CA requested that it be provided with the "comparisons of options" that are referenced in the response.